

## Message Text

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10

ACTION PM-03

INFO OCT-01 EA-06 ISO-00 SS-15 SP-02 NSC-05 L-02 CIAE-00

INR-07 NSAE-00 DODE-00 MC-02 ACDA-05 AID-05 IGA-01

EB-07 OMB-01 TRSE-00 COME-00 XMB-02 FRB-03 /067 W

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P R 180922Z FEB 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 8412

INFO CINCPAC

S E C R E T SEOUL 1029

E.O. 11652: GDS

TAGS: MASS KS

SUBJECT: F4-E SALE LOOKS DOUBTFUL

1. MCDONNELL DOUGLAS FAR EAST REPRESENTATIVE GORDON GRAHAM CALLED ON AMBASSADOR FEB 18 TO REPORT THAT HE HAD JUST SUBMITTED TO ROK MINISTRY OF DEFENSE PLANNING PRICE AND DELIVERY DATA FOR SQUADRON OF EIGHTEEN F-4E AIRCRAFT WHICH ROKG HAS EXPRESSED INTEREST IN PURCHASING. (THESE AIRCRAFT WOULD BE IN ADDITION TO F-4D SQUADRON ROKS NOW HAVE AND SECOND F-4D BAILED SQUADRON THEY PLAN ON BUYING.) MCDONNELL DOUGLAS HAS OFFERED AIRCRAFT FOR FLY-A-WAY PRICE OF \$5.6 MILLION PER COPY WHICH TOGETHER WITH SPARES AND AUXILIARY EQUIPMENT WOULD COME TO TOTAL PACKAGE PRICE OF \$120 MILLION. ASSUMING FIRM GO-AHEAD CAN BE AGREED ON BY APRIL 1, 1975 AIRCRAFT WOULD BE DELIVERED FROM JUNE TO OCTOBER, 1977.

2. GRAHAM POINTED OUT HOWEVER THAT FINANCING NOW REPRESENTED MAJOR OBSTACLE TO CONSUMMATION OF DEAL. IN RESPONSES TO ROK REQUEST MADE SEVERAL WEEKS AGO, MCDONNELL HAD MADE EXTENSIVE SEARCH FOR COMMERCIAL FUNDING BUT HAD FOUND VERY LITTLE RESPONSE FROM COMMERCIAL SOURCES. SINCE ROKS HAVE INDICATED TO GRAHAM THEY CANNOT FINANCE DEAL THEMSELVES AND  
SECRET

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THERE WAS LITTLE PROSPECT FOR SUFFICIENT FMS CREDIT TO COVER SALE, GRAHAM CONCLUDED THAT OUTLOOK FOR SALE WAS GLOOMY.

3. IN RESPONSE ROK REQUEST MCDONNELL, SAID GRAHAM, WOULD TAKE ONE MORE LOOK AT POSSIBILITY OF OBTAINING \$80 TO \$90 MILLION OF COMMERCIAL FUNDING TO COVER ALL BUT THE GFAE PORTION OF SALE. THIS WAS BASED ON ROK'S ASSUMPTION THEY COULD OBTAIN FMS CREDIT FOR \$30 TO \$40 MILLION GFAE PORTION. GRAHAM SAID HOWEVER THAT HE WAS HIGHLY DOUBTFUL THAT EVEN THIS MUCH COMMERCIAL CREDIT COULD BE FOUND.  
SNEIDER

SECRET

ASSUMPTION THEY COULD OBTAIN FMS CREDIT FOR \$30 TO \$40 MILLION GFAE PORTION. GRAHAM SAID HOWEVER THAT HE WAS HIGHLY DOUBTFUL THAT EVEN THIS MUCH COMMERCIAL CREDIT COULD BE FOUND.  
SNEIDER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY AIRCRAFT, MILITARY SALES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975SEOUL01029  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** 11652 GDS  
**Errors:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 JUL 2003  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** n/a  
**TAGS:** MASS, KS, US, MCDONNELL DOUGLAS CORP  
**To:** STATE INFO CINCPAC  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006